

REFERENCE TITLE: DES; property conveyance; proceeds

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
Second Regular Session  
2008

## **HB 2203**

Introduced by  
Representatives Hershberger, Bradley, Senator Landrum Taylor:  
Representatives Ableser, Anderson, Barto, Campbell CH, Campbell CL,  
DeSimone, McGuire, Murphy, Senators Huppenthal, Rios, Soltero

### AN ACT

AMENDING SECTION 41-1958, ARIZONA REVISED STATUTES; RELATING TO THE  
DEPARTMENT OF ECONOMIC SECURITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 41-1958, Arizona Revised Statutes, is amended to  
3 read:

4       41-1958. Acquisition of lands and buildings: lease-purchase  
5                   agreements: lease or sublease of lands or buildings:  
6                   proceeds from conveyance

7       A. The director may acquire for and in the name of this state by  
8 lease, lease-purchase agreement or otherwise lands or buildings for the  
9 purpose of providing office space for the department at such places as the  
10 director finds necessary and suitable.

11     B. An agreement made for the lease, lease-purchase or purchase of the  
12 premises mentioned in subsection A of this section is subject to the approval  
13 of the attorney general and the director of the department of administration.

14     C. An agreement made for the purchase of the premises mentioned in  
15 subsection A of this section is subject to the review of the joint committee  
16 on capital review.

17     D. Any lease-purchase agreement relating to land or building  
18 acquisitions shall provide that:

19       1. The obligation of this state to make any payment under the  
20 agreement is a current expense of the department and is not a general  
21 obligation indebtedness of this state or the department.

22       2. If the legislature fails to appropriate monies or the department  
23 fails to allocate monies for any periodic payment or renewal term of the  
24 agreement, the agreement terminates at the end of the current term and this  
25 state and the department are relieved of any subsequent obligation under the  
26 agreement.

27       3. The joint committee on capital review shall review the project  
28 before the lease-purchase agreement takes effect.

29     E. The director may lease or sublease at fair rental value any land or  
30 building that is acquired pursuant to subsection A of this section. The  
31 director may lease or sublease any building that is acquired pursuant to  
32 subsection A of this section on other terms or conditions if the lessee is a  
33 state entity or political subdivision of this state. All net lease income  
34 shall be credited to the department's occupancy appropriation.

35     F. A lease or sublease that is granted pursuant to subsection E of  
36 this section is exempt from ~~the provisions of~~ section 41-2752 and is not  
37 subject to chapter 23 of this title. The director may prioritize lease or  
38 sublease tenants based on the needs of the department and in the public  
39 interest with preference given to the following in the order provided:

- 40       1. State entities.  
41       2. Political subdivisions.  
42       3. Community partners.

1       G. The department may pay or advance gross initial and routine lease  
2 and sublease related expenditures. The gross initial and routine  
3 expenditures that are paid or advanced shall be reimbursed to the department  
4 before the net lease income is credited to the department's occupancy  
5 appropriation pursuant to subsection E of this section.

6       H. THE DEPARTMENT MAY RETAIN ANY PROCEEDS FROM THE DEPARTMENT'S  
7 CONVEYANCE OF REAL PROPERTY FOR THE PAYMENT OF MOVING COSTS AND TO ACQUIRE  
8 REAL PROPERTY FOR THE PURPOSE OF PROVIDING SPACE FOR THE DEPARTMENT'S  
9 ADMINISTRATION OR OPERATIONS AT A PLACE THE DIRECTOR DEEMS NECESSARY AND  
10 SUITABLE. ANY UNEXPENDED PROCEEDS OF THE PROPERTY CONVEYANCE DO NOT REVERT  
11 AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSLING OF  
12 APPROPRIATIONS.

13       ~~H.~~ I. Any agreement under this section shall comply with the  
14 constitution and other laws of this state.